

ALVORD AND ALVORD

ATTORNEYS AT LAW

1600 K STREET, NW

SUITE 200

WASHINGTON, D.C.

20006-2973

(202) 393-2266

FAX (202) 393-2156

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

May 24, 2001

22073-L
RECORDATION

MAY 24 '01 3-5 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Assignment and Assumption Agreement, dated May 24, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Equipment Lease Agreement - [D] and associated documents previously filed with the Board under Recordation Number 22073.

The names and addresses of the parties to the enclosed document are:

Lessor: Wells Fargo Bank Northwest, N.A.
(f/k/a First Security Bank,
National Association)
79 South Main Street
Salt Lake City, Utah 84111

Lessee: PB Rail Financing
Associates
c/o Pitney Bowes Credit Corporation
27 Waterview Drive
Shelton, CT 06484

A description of the railroad equipment covered by the enclosed document is:

51 railcars within the series MLLX 11204 - MLLX 11261

Mr. Vernon A. Williams
May 24, 2001
Page Two

A short summary of the document to appear in the index follows:

Assignment and Assumption Agreement

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 22073-E FILED

MAY 24 '01

3-51 PM

SURFACE TRANSPORTATION BOARD

EXECUTION COPY

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Head Lease)

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of May 24, 2001, is by and between WELLS FARGO BANK NORTHWEST, N.A., a national banking association formerly known as First Security Bank, National Association, not in its individual capacity, but solely as owner trustee under each of the Equipment Trust Agreements (defined below) ("Assignor"), and PB RAIL FINANCING ASSOCIATES, a Connecticut general partnership ("Assignee").

RECITALS

WHEREAS, Assignor is owner trustee pursuant to the terms of each of the Trust Agreements set forth on Schedule 1 hereto (the "Equipment Trust Agreements"), the beneficiary of which is Rutherford Holding LLC, an Idaho limited liability company solely in its capacity as trustee (the "Rutherford Trustee") under that certain Rutherford Trust Agreement dated as of May 24, 2001 by and between PB Municipal Funding Inc. and Rutherford Holding LLC.

WHEREAS, Assignor, pursuant to the user leases (collectively, the "User Leases") set forth on Schedule 2 hereto between Assignor and Basell USA Inc. (formerly known as Montell USA Inc.), a Delaware corporation ("Basell"), has previously leased certain rail hopper cars to Basell;

WHEREAS, the Rutherford Trustee, pursuant to an Instruction Letter of even date herewith, has instructed Assignor to (i) enter into a Lease Agreement, dated as of even date herewith, with Assignee (as amended, modified, or supplemented from time to time, the "Head Lease"), pursuant to which Assignor has agreed, inter alia, to lease the Equipment to Assignee for the term therein provided (subject to Basell's rights under the User Leases), and (ii) to enter into this Agreement, pursuant to which Assignor shall assign to Assignee all of its right, title and interest (other than with respect to Prior Claims, as defined in the Contribution Agreement) in and to the User Leases and related documents set forth on Schedule 3 hereto (the "Lease Operative Documents");

WHEREAS, the parties hereto wish to effect such assignment and the assumption by Assignee of all the obligations of Assignor under the Lease Operative Documents, including, but not limited to, the User Leases, which accrue from and after the Contribution Date (as defined in the Contribution Agreement).

WHEREAS, the parties hereto wish to effect the assignment and assumption granted hereby, for and only for the duration of the Lease Term (as defined in the Head Lease);

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. Definitions. Unless otherwise defined, capitalized terms used but not defined herein shall have the meanings ascribed to them in the Head Lease.

SECTION 2. Assignment. ASSIGNOR does hereby ASSIGN, TRANSFER, SELL, DELIVER AND CONVEY UNTO ASSIGNEE, ITS SUCCESSORS AND PERMITTED ASSIGNS, TO HAVE AND TO HOLD for the duration of the Lease Term (the "Conveyance"), all of Assignor's right, title and interest (other than with respect to Prior Claims) under, in and to the Lease Operative Documents (the "Assigned Interests").

SECTION 3. Termination of Assignment. On and as of the expiration of the Lease Term with respect to any item of Equipment, in accordance with the Head Lease (each such expiration date being a "Lease Term Expiration Date"), the assignment effectuated pursuant to Section 2 hereof shall be of no further effect.

SECTION 4. Return Conveyance.

(a) Upon a Lease Term Expiration Date with respect to any item of Equipment, Assignee shall deliver to and execute in favor of Assignor an Assignment and Assumption Agreement substantially in the form of this Agreement (a "Return Assignment and Assumption Agreement"), excluding Section 3 and this Section 4, with respect to such item of Equipment, including an assignment to Assignor of: (i) all right, title and interest in and to the Assigned Interests with respect to such Equipment assigned, transferred, sold, delivered and conveyed to Assignee on the date hereof (other than with respect to any Lease Operative Document with respect to which Assignee shall then have no further rights due to expiration of the term thereof and expiration of any indemnification or other rights surviving such expiration), and (ii) all right, title and interest under, in and to any and all documents entered into under the Head Lease in evidence of a Subsequent Sublease with respect to such Equipment (the "Supplemental Lease Operative Documents"), and any deposits and security interests related to such Equipment (any such assignment, transfer, sale, delivery and conveyance with respect to the Lease Operative Documents and/or any Supplemental Lease Operative Documents being a "Return Conveyance"). Each such Return Conveyance shall be required irrespective of the cause of the expiration of the Lease Term with respect to any given item of Equipment (other than any such expiration attributable to a default by Assignor). Assignee further agrees to execute and deliver such further documents, and to do such further things, as Assignor may reasonably request in order to more fully effect such Return Assignment and Assumption Agreement and the Return Conveyance contemplated by this paragraph.

(b) Whether or not any such Return Assignment and Assumption Agreement shall have been executed and delivered by Assignee, from and after a

Lease Term Expiration Date, Assignor shall be entitled to the rights and benefits of the lessor under all Lease Operative Documents and Supplemental Lease Operative Documents.

(c) Assignee acknowledges that, in the event of its failure to execute and deliver a Return Assignment and Assumption Agreement in accordance with the terms hereof, damages will not be an adequate remedy. Accordingly, the parties agree that Assignor shall be entitled to injunctive relief ordering the delivery of such Return Assignment and Assumption Agreement in favor of Assignor as well as any amounts paid with respect to the period on or after the Lease Term Expiration Date to Assignee with respect to the Lease Operative Documents or the Supplemental Lease Operative Documents to be assigned thereby.

SECTION 5. Assumption. Assignee accepts the assignment set forth in Section 2 above and hereby confirms that it shall be deemed a party to the Lease Operative Documents on the Contribution Date, and Assignee agrees to be bound by all of the terms of and assumes all of the duties and obligations of Assignor contained in the Lease Operative Documents; provided, that such duties or obligations occur or arise from and after the Contribution Date, and, in no event, shall include any Prior Claim. Upon the effectiveness of this Agreement and except as provided elsewhere in the Lease Operative Documents, Assignor shall be released and discharged from and shall not be responsible to any Person, except as otherwise expressly provided in the Head Lease, for the discharge or performance of any duty or obligation pursuant to or in connection with the Lease Operative Documents to the extent, but only to the extent, occurring or arising from and after the Contribution Date, and Assignee shall be substituted in lieu of Assignor as a party to each of the Lease Operative Documents to which Assignor is a party. Upon the effectiveness of this Agreement, Assignee shall not be responsible to any Person for the for the discharge or performance of any duty or obligation of Assignor in connection with the Lease Operative Documents occurring or arising prior to the Contribution Date or any duty or obligation in connection with any Prior Claim. Notwithstanding anything herein to the contrary (i) this Agreement and the Conveyance are subject to all of the terms and conditions of the Head Lease, and (ii) as long as no event of default under a User Lease has occurred and is continuing, neither Assignor nor Assignee shall disturb Basell's right of quiet enjoyment in the Equipment.

SECTION 6. Further Assurances. Assignor agrees to execute and deliver such further documents, and to do such further things, as Assignee may reasonably request in order to more fully effect this Agreement and the transactions contemplated hereby and by the Head Lease. Assignee agrees to execute and deliver such further documents, and to do such further things, as Assignor may reasonably request in order to more fully effect this Agreement and the transactions contemplated hereby and by the Head Lease.

SECTION 7. Representations and Warranties of Assignee.

(a) Organization. Assignee is a general partnership duly organized under the laws of the State of Connecticut. Assignee has the requisite power and authority to own its property and to carry on its business as now conducted.

(b) Authority. The execution, delivery and performance by Assignee of its obligations hereunder, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary actions of Assignee's general partners, and do not contravene (A) Assignee's Partnership Agreement, (B) any law, rule or regulation applicable to Assignee, or (C) any contracted restriction binding on or affecting Assignee, and this Agreement has been duly executed and delivered by Assignee and, upon such execution and delivery, will constitute the legal, valid and binding obligations of Assignee, enforceable against it in accordance with the terms hereof, except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles of general application to, or affecting, the enforcement of creditors' rights.

SECTION 8. Prior Claims, Expenses and Variable Rents.

(a) If Assignee shall receive any amount in respect of a Prior Claim or variable rents for periods prior to May 24, 2001 or otherwise with respect to any Equipment from and after the expiration of the Lease Term with respect to such Equipment, Assignee shall promptly remit said amount to Assignor together with interest on such amount at the Applicable Rate from the date which is five (5) Business Days after Assignee's receipt of said funds up to but excluding the date of payment to Assignor and, until so remitted, any such amount received by Assignee shall be held by Assignee for the benefit of Assignor.

(b) If Assignor shall receive any amount in respect of any Lease Operative Document or any Subsequent Sublease (other than amounts in respect of the Head Lease) for periods from and after May 24, 2001 through the expiration of the Lease Term, Assignor shall promptly remit said amount to Assignee together with interest on such amount at the Applicable Rate from the date which is five (5) Business Days after Assignor's receipt of said funds up to but excluding the date of payment to Assignee and, until so remitted, any such amount received by Assignor shall be received and held by Assignor for benefit of Assignee.

SECTION 9. GOVERNING LAW. THIS INSTRUMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10. WAIVER OF JURY TRIAL. ASSIGNOR AND ASSIGNEE HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY

OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH.

SECTION 11. Jurisdiction; Service of Process. Assignor and Assignee each (A) hereby irrevocably submits itself to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and to the non-exclusive jurisdiction of the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Assignment, the subject matter hereof or any of the transactions contemplated hereby brought by Assignor, Assignee or their respective successors or assigns, (B) irrevocably agrees that lawful service of process in the State of New York for any action or proceeding (whether in Federal or state court in and for the State of New York) arising out of or in connection with this Assignment may be made by mailing by certified mail, return receipt requested, such papers as may be necessary for such service of process to such party at its notice address designated in or pursuant to Section 16 hereof, and (C) to the extent permitted by Applicable Law, hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by Applicable Law, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Assignment or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

SECTION 12. Assignment. Neither Assignor nor Assignee will, without the prior written consent of the other, assign any of its rights hereunder. Subject to the foregoing, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns; provided, that, the foregoing shall not prohibit the operation of the terms of the Management Agreement, dated as of even date herewith, by and between Assignee and PBCC.

SECTION 13. Counterparts. This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall constitute but one and the same instrument.

SECTION 14. Effectiveness. This Agreement shall become effective on the Contribution Date after it has been duly executed and delivered by the parties hereto. Filing of this Agreement with the Surface Transportation Board and the Registrar General of Canada shall evidence that the Contribution Date has taken place.

SECTION 15. Entire Agreement. This Agreement and the Schedules attached hereto constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto. This Agreement may not be amended except by a written instrument signed by the parties hereto.

SECTION 16. Notices. All notices and documents delivered hereunder shall be in writing, and shall be forwarded by certified mail, return receipt requested, postage prepaid, or personally delivered, and addressed as follows:

If to Assignor:

WELLS FARGO BANK NORTHWEST,
N.A., as Owner Trustee
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Department
Telecopy: (801) 246-5053

If to Assignee:

PB RAIL FINANCING ASSOCIATES
c/o Pitney Bowes Credit Corporation
27 Waterview Drive
Shelton, Connecticut 06484-4361
Attention: Vice President Investments/Sales
Telecopy: (203) 922-4124

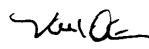
SECTION 17. Limited Liability. It is expressly understood by the parties hereto that (a) this Agreement has been executed and delivered by Wells Fargo Bank Northwest, N.A., not individually or personally but solely as owner trustee in the exercise of the powers and authority conferred and vested in it under the Equipment Trust Agreements, (b) each of the representations, undertakings and agreements made on the part of Assignor herein are made and intended not as personal representations, undertakings and agreements by Wells Fargo Bank Northwest, N.A., but are made and intended only for the purpose of exercising its powers as owner trustee under the Equipment Trust Agreements, and (c) nothing contained herein shall be construed as creating any liability on Wells Fargo Bank Northwest, N.A., individually or personally, to perform any covenants either expressed or implied contained herein, all such liability, if any, being expressly waived by Assignee and any Person claiming by, through or under Assignee and any such claimant shall look only to the Trust Estate created under the Equipment Trust Agreements with respect to any liability claim.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly executed as of the day and year first above written.

ASSIGNOR:


WELLS FARGO BANK NORTHWEST,
N.A., formerly known as First Security Bank,
National Association, not in its individual
capacity but solely as Owner Trustee under
each of the Equipment Trust Agreements

By: 
Val T. Orton
Its Vice President

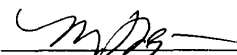
ASSIGNEE:

PB RAIL FINANCING ASSOCIATES

By: PB Municipal Funding Inc.
its General Partner

By: 
Michael J. Leyh
Its Vice President

By: Pitney Bowes Credit Corporation,
its General Partner

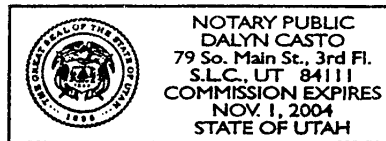
By: 
Michael J. Leyh
Its Vice President,
New Business Development

[Signature page to Assignment and Assumption Agreement (Head Lease)]

M1:700807.10

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

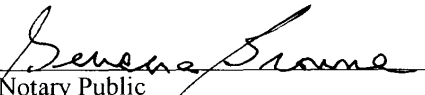
This instrument was acknowledged before me on the 22nd day of May, 2001, by Val T. Orton who is the Vice President of Wells Fargo Bank Northwest, N.A. (the "Bank") on behalf of the Bank, not in its individual capacity, but solely as Owner Trustee.



Dalyn Casto
Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President of PB Municipal Funding Inc., a Nevada corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.


Notary Public

M1:754470.02

GENEVA BROWNE
Notary Public, State of New York
No. 24-4892369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2001

[illegible]

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President, New Business Development of Pitney Bowes Credit Corporation, a Delaware corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.


Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4892369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 200L

SCHEDULE 1
TO
ASSIGNMENT AND ASSUMPTION AGREEMENT
(HEAD LEASE)
Trust Agreements

1. Trust Agreement –[B] dated as of April 27, 1998 between Pitney Bowes Credit Corporation as beneficiary and First Security Bank, National Association as owner trustee.
2. Trust Agreement –[C] dated as of April 27, 1998 between Pitney Bowes Credit Corporation as beneficiary and First Security Bank, National Association as owner trustee.
3. Trust Agreement – [D] dated as of April 27, 1998 between Pitney Bowes Credit Corporation as beneficiary and First Security Bank, National Association as owner trustee.

SCHEDULE 2
TO
ASSIGNMENT AND ASSUMPTION AGREEMENT
(HEAD LEASE)

User Leases

1. Master Equipment Lease Agreement –[B] Dated as of April 27, 1998
Between First Security Bank National Association as owner trustee and Montell USA Inc.
2. Master Equipment Lease Agreement –[C] Dated as of April 27, 1998
Between First Security Bank National Association as owner trustee and Montell USA Inc.
3. Master Equipment Lease Agreement –[D] Dated as of April 27, 1998
Between First Security Bank National Association as owner trustee and Montell USA Inc.

SCHEDULE 3
TO
ASSIGNMENT AND ASSUMPTION AGREEMENT
(HEAD LEASE)

Lease Operative Documents

Master Lease [B]

1. Master Equipment Lease Agreement –[B] Dated as of April 27, 1998 between First Security Bank National Association as owner trustee and Montell USA Inc.

- (a) Exhibit A (Purchase Option and Renewal Option)
- (b) Exhibit B (Lease Schedule, as supplemented by Re-Stated Lease Schedule –[B] dated April 27, 1998)
- (c) Exhibit C (Assignment)
- (d) Exhibit D-1 (Conditions Precedent to Obligations of Lessor)
- (e) Exhibit D-2 (Conditions Precedent to Obligations of Lessee)
- (f) Exhibit E-1 (Lessee's Representations, Warranties and Covenants)
- (g) Exhibit E-2 (Lessor's Representations, Warranties and Covenants)
- (h) Exhibit F (Loss, Requisition or Seizure)
- (i) Exhibit G (Insurance)
- (j) Schedule 1 (Restricted Assignees)
- (k) Schedule II (Purchase Agreements)

2. Lease Acceptance Certificate – [B] No. 1 dated July 30, 1998

3. Lease Acceptance Certificate – [B] No. 2 dated August 31, 1998.

4. Guaranty Agreement – Lease - [B] dated as of April 27, 1998 made by Montell N.V. in favor of First Security Bank, National Association as owner trustee and Pitney Bowes Credit Corporation.

Master Lease [C]

1. Master Equipment Lease Agreement –[C] Dated as of April 27, 1998 between First Security Bank National Association as owner trustee and Montell USA Inc.
 - (a) Exhibit A (Purchase Option and Renewal Option)
 - (b) Exhibit B (Lease Schedule, as supplemented by Re-Stated Lease Schedule –[C] dated April 27, 1998)
 - (c) Exhibit C (Assignment)
 - (d) Exhibit D-1 (Conditions Precedent to Obligations of Lessor)
 - (e) Exhibit D-2 (Conditions Precedent to Obligations of Lessee)
 - (f) Exhibit E-1 (Lessee's Representations, Warranties and Covenants)
 - (g) Exhibit E-2 (Lessor's Representations, Warranties and Covenants)
 - (h) Exhibit F (Loss, Requisition or Seizure)
 - (i) Exhibit G (Insurance)
 - (j) Schedule 1 (Restricted Assignees)
 - (k) Schedule II (Purchase Agreements)
2. Lease Acceptance Certificate – [C] No. 1 dated April 27, 1998
3. Lease Acceptance Certificate – [C] No 2. dated November 24, 1998.
4. Lease Acceptance Certificate – [C] No. 3 dated December 22, 1998.
5. Guaranty Agreement – Lease - [C] dated as of April 27, 1998 made by Montell N.V. in favor of First Security Bank, National Association as owner trustee and Pitney Bowes Credit Corporation.

Master Lease [D]

1. Master Equipment Lease Agreement –[D] Dated as of April 27, 1998 between First Security Bank National Association as owner trustee and Montell USA Inc.
 - (a) Exhibit A (Purchase Option and Renewal Option)

- (b) Exhibit B (Lease Schedule, as supplemented by Re-Stated Lease Schedule –[D] dated March 18, 1998)
- (c) Exhibit C (Assignment)
- (d) Exhibit D-1 (Conditions Precedent to Obligations of Lessor)
- (e) Exhibit D-2 (Conditions Precedent to Obligations of Lessee)
- (f) Exhibit E-1 (Lessee's Representations, Warranties and Covenants)
- (g) Exhibit E-2 (Lessor's Representations, Warranties and Covenants)
- (h) Exhibit F (Loss, Requisition or Seizure)
- (i) Exhibit G (Insurance)
- (j) Schedule 1 (Restricted Assignees)
- (k) Schedule II (Purchase Agreements)
- 2. Lease Acceptance Certificate – [D] No. 1 dated March 18, 1999
- 3. Guaranty Agreement – Lease - [D] dated as of April 27, 1998 made by Montell N.V. in favor of First Security Bank, National Association as owner trustee and Pitney Bowes Credit Corporation.